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BOOK REVIEW

A WORLD OF SECRETS

The Uses and Limits of Intelligence.
By Walter Laqueur.
404 pp. New York: Basic Books. $21.95.

By Edward Jay Epstein

IN recent months, there have been some dramatic revelations from the underground world of espionage. In New Mexico, a former C.I.A. officer vanished, presumably en route to Russia; in Rome, meanwhile, a senior K.G.B. officer suddenly defected to the C.I.A.; in Berlin, the head of West German counterintelligence crossed over to East Germany; in London, British intelligence announced that a K.G.B. agent there had been their double agent for more than a decade; and in Moscow, the K.G.B. reported the arrest of a C.I.A. mole. Even assuming the worst about betrayals, what is the net effect of this spy war on statecraft? Do nations get the answers they need from intelligence in order to conduct a rational foreign policy? And what are the limits — and costs — of such intelligence?

Walter Laqueur demonstrates considerable investigative skill in dealing with these important questions in "A World of Secrets." He is a consummate researcher, whose previous books include "Terrorism" and a cultural history of the Weimar Republic. His purpose is not, however, to ferret out new spy cases, or rehash old counterintelligence debates about the intent of the K.G.B. It is to fit these bits of intrigue into the broader mosaic on which foreign policy is based.

The first part of the book, which is the most informative part, examines the various mechanisms through which intelligence is gathered and then filtered to policy makers. Here he finds that spies and secret sources provide only a minute fraction of foreign intelligence. Most of it comes either from open sources — newspapers, published proceedings, government documents, radio broadcasts and diplomatic statements — or from what is called "national technical means," which includes the unencoded signals intercepted from other nation's weapons, ships, planes and defense systems and the photographs taken by satellite cameras. The problem is not acquiring this plethora of data but making sense of it. Mr. Laqueur's brilliant elucidation should be required reading for all those seriously interested in understanding the shortcomings of American intelligence. He points out that in Iran, for example, though there were endless data available, United States intelligence failed "to judge the viability of the single most important factor . . . the Shah himself."

The next — and most original — part of the book attempts to assess the contribution, both positive and negative, that intelligence has made to national security during the past 40 years. His approach is to reconstruct a number of specific crises — such as the 1962 Cuban missile confrontation — adding what is now known from the "world of secrets" to the conventional case histories. This new lens succeeds in producing some provocative insights, as when the author concludes that "the process of analysis and estimation" that was used to explain Soviet behavior in Cuba "manifested both a rigid empiricism and a lack of imagination." Intelligence was handicapped "by its inability to entertain the hypothesis that Soviet leaders were acting on assumptions quite different from what Americans assumed them to be."

But the author does not satisfactorily clarify the utility of intelligence. The difficulty here is that the real secrets involved in the cases, such as communications intelligence and penetration of the Soviet military apparatus, are not — and should not be — in the public domain. Mr. Laqueur, for example, uses a declassified C.I.A. series of reports, entitled "Review of the World Situation as It Relates to the Security of the United States," to evaluate retrospectively the accuracy of United States intelligence. But these were entirely based on the C.I.A.'s nonsecret intelligence gathering, from sources such as newspaper stories and diplomatic reports (which allowed them to be widely circulated — and declassified). They could therefore hardly reflect the status of the C.I.A.'s secret intelligence — which, after all, is its raison d'être.

Finally, after completing an exhaustive review of the material available in the open literature, Mr. Laqueur comes to a disappointingly equivocal conclusion: "In contradiction to Sun Tzu and other Chinese and Western sages, the function of intelligence is more modest than is generally believed. It is a prerequisite for an effective policy or strategy, but it can never be a substitute for policy or strategy, for political wisdom or military power." This also is somewhat of a straw man, since no serious strategist holds that intelligence can prevail over a superior military force. Indeed, Mr. Laqueur seriously misunderstands Sun-tzu when he states that the Chinese sage "claimed that he who knows his adversary can win a hundred battles." His celebrated dictum is actually: "If you know the enemy and know yourself, you need not fear the result of a hundred battles." His point is not that perfect intelligence ineluctably leads to victory but that, with it, a prudent leader can evade all confrontations in which he does not have overwhelming superiority.

The concept of intelligence as an agency of deterrence is, if anything, even more relevant today. It explains why the superpowers sanction the photographing of their military installations by enemy satellites, the interception of the data from the testing of their missiles and even the inspection of selected equipment by foreign military attachés. They realize that for a deterrent to be effective their adversaries must be aware of its capabilities. In this regard, intelligence serves as a form of de facto on-site inspection. Even with forms of inspection that are not permitted — such as the penetration of intelligence services with moles, clandestine break-ins of embassies and the cracking of enciphered signals — the objective is to assure that no surprise consequences proceed from a contemplated action. (The doomsday machine that blows up the world in the film "Dr. Strangelove, or How I Learned to Stop Worrying and Love the Bomb" is an example of a deterrent that failed because of inadequate intelligence.) The value of intelligence cannot be judged merely in terms of the victories to which it contributed; it must also be measured in terms of the failures it helped prevent.

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Edward Jay Epstein, the author of "The Rise and Fall of Diamonds," is now completing a book on international deception.